for the project. All other proposals for foreign investment in Indian joint ventures are considered for ap proval, on merits, by the GovernmeiU under the normal procedure. Such proposals received by Government for setting up joint ventures with fore ign investment are expected to con tain all relevant information such as items of manufacture, size of in vestment, technology involved, export and employment potential depending upon the nature of the projects.

Sickness in PSUs manufacturing Railway Spares

3900. SHRI JOYANTA ROY: Will the PRIME MINISTER be pleased to state:

(a) the number of public undertaking companies designed to manufacture Railway's spare parts which have turned sick during the recent years in West Bengal; and

(b) how many employees and wor kers are engaged in these manufac turing units?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRIMATI KRISHNA SAHI): (a) and (b) As on 31.3.1994, following four Central public sector undertakings designed to manufacture Railway's spare parts, having their registered office located in West Begnal, have turned sick. Their names along with the total number of employees are given Below.—

S. No.	Name of PSU	Total No. of Em-ployees
1.	Bharat Brakes & Valves Limited	537
2.	Braithwaite & Co. Limited	4082
3.	Burn Standards Co. Limited	11911
4.	Jessop & Co. Limited	6163

Sick Industries

3901. SHRI JOYANTA ROY: Will the PRIME MINISTER be pleased to state:

(a) whether the indutrial sickness is growing in our country;

(b) the number of sick industries which have been taken by foreign companies;

(c) the total number of sick industries in the country at present; and

(d) the number of committees formed 'for resolving the problem and the recommendations thereof in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRIMATI KRISHNA SAHI): (a) to (c) Data on sick industrial units assisted by banks in the country is compiled by the Reserve Bank of India. According to the latest available data, the number of sick industrial units in the small scale and non-small scale sectors as at the end of March, 1992 and March. 1993 is as under:

	Num-ber of SSI Sick Units	Num-ber of Non-SSI Sick Units	To-tal
March, 1992	245575	1536	247111
March, 1993	238176	1867	240043

Information regarding sick industries taken over by foreign companies is riot centrally maintained.

(d) Since 1980, three committees have been set up to study the problems of sick industries- Their recommendations are given in Statement.

STATEMENT

Reeommendetions of the *Committees on Sick Industries*

The details regarding" committees, setep to study the problems of sicfr-:-industries and their main recommendations are as follows:

(f) Committee *to* examine the. legal and other difficulties faced. by banks and financial institutions in the rehabilitation of sick industrial: undertakings and suggest remedial measurer includings changes in law (.Tiwari Committee? 1983 — Set up by RBI).

Main recommendations of the Committee

(a) Timely- detection *at* symptoms of sickness and formulation of nursing programme at the incipient stage itself.

(b) Viability on commercial basis should be the main criterion for rehabilitation of a sick unit. Otherwise, monetary sacrifices made by banks antl financial institutions should be fully protected.

(c) A quasi-judicial body (now BIFR) under a special legislation be set up to deal expeditiously and exclusively with matters relating to rehabilitation of sick units.

(d) Special Tribunals be created . to serve as quasi-judicial bodies for recovery of dues by following summary procedures.

(e) A modernisation fund to be set up at national level.

(f) A Redundancy fund for com pensating labour to be set up."

(g) To avoid delay in arriving at a rehabilitation progranwne, an agency (a working group) to be formed, whose decisions-should be amde binding on all-the participants.

(ii) Committee on Industrial' Sickness and Corporate Re-structuring (Gosaaa Comsaittee — 1993 -—set up by Ministry of Finance)

Main recommendations of the Committee:

(a) Definition of a sick industrial company should be based on criterion of default to a bank/ financial institution, so a$ to allow for early detection. The definition should change to

default of 180 days or more on repayment to term lending0• institutions or irregularities *in* cash credit or working capi tal for 180 days or more.

(b) Reference-to BIFR, by a sick industrial company should be mide voluntary. If referred'to BIER; a re-orsarrrsatioft- plavr .shotdd'be' prepared within 96 days that can satisfy secured creditors; If creditors repree sentimg three-fourths of the secured' debt are satisfied by the plan, it should become a sanc tioned scheme of BIFR. If not, one last alterante plan should be prepared by the. firm within an outer limit of another 60 days in consultation with secured creditors, Government arid labour. If second plan is not found acceptable, BIFR should automatically rocom-irend the company to Recovery Tribunals or be wound up.

(c) The Sick Industrial Companies (Special Provisions) Act (SICA) should override FERA,

(d) There should be five Recovery Tribunals set up only for recovering corporate debts to secured creditors.

(e) RBI guidelines on rehabilitation should be revised to exclude concessions on fresh loans. Any concessions on old debts should be in tite form of write-offs with the non-written off exposures (loans) be charged market rates of interest. Whenever write offs are taken, these should be in the form of debt equity conversions. Evaluation of reorganisation plans should be done at oportunity costs.

(f) To aid. the processes of reorganisation, other enactments comprising Income-Tax Law, stamp acts, Companies Act, ULCRA; Industrial Disputes Act, etc. be appropriately amended.

(iii) Committee to study the Problems of sick/weak units in leather industry—1993—Set up by RBI — Chairman; Shri M. G. Balasubra-raanian.

tain recommendations of the Com-tittee:

(a) The Committee has emphasised on the need for banks to get alterted on observing signs of sickness at the incipient stage and to take ameliorative measures

(b) Several suggestions have been made by the Committee to ensure adequate sanction of working capita! based on the genuine needs of the industrial unit, including desired aptitudes on the part *of* bank personnel.

. (c) The Committee has given several suggestions to improve monitoring of accounts by banks-It has recommended posting qualified leather technologists with a short training in bank-ins to monitor leather units ini places where banks have large exposures in financing leather industrial units.

(d) The Committee has laid em phasis on increasing confidence of bank officers to take bonafide decisions especially in rehabili tation efforts.

(e) The Committee has re-interated the importance Of govern ment giving top priortiy for effluent treatment.

(f) with a view to accelerating the development of leather industry at the grass root level, the Com mittee has recommended setting up of consultancy organisations (which could be sub-ordinates CLRI) which will concentrate on shop floor problems faced by individual units- These organi sations should be set up near major tannery centres in the country.

(g) The Committee has recommended setting up of a Leather Development Fund from which grants could be given *toe* specific purposes such as to the consultancy organisations mentioned above to tackle problems faced by individual units; R and Dt provision of loans to meet expenses for repairing and reconditioning machinery, effluent treatment, modernisation, etc.

Vanaspati plants set up in Orissa

3902. SHRI RAHASBIHARI BARIK Will the PRIME MINISTER be pleased to state:

(a) whether Government have a proposal to set up some Vanaspati plants in Orissa;

(b) if so, the names of the places in that State where these Vanaspati plants are proposed to be set up; and